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011204Z Sep 05

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SIPDIS

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COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO E.O. 12958: N/A TAGS: IS KMDR MEDIA REACTION REPORT SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

- 12. Syrian-Lebanese Track
- 13. Iraq
- ¶4. U.S.-Israel Relations

Key stories in the media:

This morning, Israel Radio reported that FM Silvan Shalom is holding a meeting in Istanbul with his Pakistani counterpart Mian Khurshid Mahmood Kasuri. The station cited Al Jazeera-TV as saying that the

meeting's purpose is the establishment of diplomatic relations between the two countries.

Leading media reported that Egyptian border guards will start deploying along the Philadelphi road on Sunday (banner in Yediot). IDF troops will remain on the Israeli side of the route until September 15. Knesset approved the agreement with Egypt on Wednesday, 53-28. Israel Radio says that senior Israeli and Egyptian officers will sign the agreement today. station notes that there still is no agreement regarding the border crossings. Ha'aretz reported that Israel will start building a new border crossing terminal at Kerem Shalom on the Israel-Egypt-Gaza Strip border next week, despite opposition from Egypt and the Israel Radio cited the Palestinian daily Al-Ayyam as saying an Israeli-Palestinian agreement on border crossings has been reached through the mediation of Egyptian intelligence chief Omar Suleiman: people would enter and leave the Gaza Strip at Rafah, and goods would pass through Dahaniyeh or Kerem Shalom. Radio reported that GOI sources denied that such an agreement has been achieved.

Maariv cited secret contacts between Israel and Jordan toward a visit by King Abdullah II to Jerusalem next week. Israel Radio cited a Jordanian denial of the report.

All media (banners in Ha'aretz (Hebrew Ed.) and Jerusalem Post) reported on the killing of approximately 1,000 Shi'ites in Wednesday's stampede in Baghdad. Ha'aretz cites concerns in Iraq that the Shi'ites might avenge the event, which was sparked by rumors. An Israel TV commentator said that those appear to have been intentional.

Leading media reported that Baruch Ben-Menachem (born Bret Taback), a new immigrant from the U.S., set himself ablaze on Wednesday in the yard of Ulpan Etzion, a Hebrew language school for new immigrants in the Bakaa neighborhood of Jerusalem. He was seriously wounded. Several media quoted him as saying that he did it to protest Israel's withdrawal two weeks ago from the Gaza Strip. The media reported that Yelena Bosinova, 54, a right-wing activist from the West Bank

settlement of Kedumim, died last Friday from injuries sustained when she set herself ablaze in the Negev city of Netivot two weeks earlier.

All media continued to report on the devastation caused by Hurricane Katrina, and cited measures taken by President Bush to face it. Jerusalem Post reported that FM Silvan Shalom sent Secretary of State Condoleezza Rice a letter offering sympathy for the desolation. The newspaper notes that Shalom's letter was sent a day after a State Department spokesman said Rice had not received any calls from her colleagues abroad. Maariv quoted rabbis in Israel and the U.S. as saying that the disaster was a punishment inflicted on the U.S. for its support of disengagement.

Leading media reported that Palestinian TV interviewed Defense Minister Shaul Mofaz on Wednesday. He told the station that the PA must fulfill its commitment to Israel to fight terror. The media quoted Mofaz as saying: "Israel carried out a painful move in the pullout plan, despite bitter criticism from within. Now we are calling on the Palestinians to do their part."

All media reported that Knesset Member Binyamin Netanyahu toured the E-1 area between Jerusalem and Ma'aleh Adumim, as part of his campaign for Likud chairmanship. Ha'aretz quoted Peace Now Secretary-General Yariv Oppenheimer as saying: "Netanyahu wants to sabotage the most sensitive spot in Israeli-American relations. Building in E-1 means a fatal blow to the idea of two states for two nations and would break the contiguity between the northern and southern West Bank." The media also reported that on Wednesday, Likud rebel Knesset Member Uzi Landau opened his campaign HO.

Ha'aretz reported that the U.S. is trying to enlist the European countries against Syrian President Bashar Assad. Yediot reported that Syria has allowed a German prosecutor representing the UN Security Council to interrogate five senior Syrian officials regarding the assassination of former Lebanese PM Rafic Hariri. Leading media cited reports that the Syrian and Lebanese presidents will not attend the UN General Assembly meeting because they fear of being harassed by the U.S.

Ha'aretz reported that the U.S. District Court in Rhode Island has frozen all assets held by the PA in the U.S., over the PA's refusal to compensate relatives of a couple killed in a Hamas terror attack.

Maariv reported that Gideon Kutz, the special correspondent of Channel 2- TV, has been permitted to enter Iran and report from there. His report will be screened this evening on the main newscast and tomorrow on the Friday news magazine. Kutz has had meetings with members of the local Jewish community and government officials. Iran's former foreign minister told him that Iran is pleased with the disengagement and evacuation of the settlements in the Gaza Strip and northern West Bank. Another government representative said Iran does not rule out the possibility of restraining the terrorist organizations. In interviews with Kutz, Iranian officials said Teheran is trying to solve the international crisis surrounding its nuclear reactor, and work on the nuclear program continues. Iran has the right to possess nuclear weapons, they said, and will defend itself if attacked by the U.S., or Israel.

Defense Ministry Director-General Amos Yaron, who will retire later this month, was quoted as saying in an interview Ha'aretz conducted with him on Wednesday: "I am convinced the crisis in U.S.-Israel relations [over Israeli arms deals with China] was predicated on mistaken information." Yaron said that the whole affair is a "misunderstanding" that could have been ended quickly if the Americans had handled it differently. In an interview with Yediot, Yaron summed up the affair by quoting former Secretary of State James Baker, who allegedly told the late PM Yitzhak Rabin: "We're right even when we're not right, because we're America."

Citing The Jewish Telegraphic Agency (JTA), Jerusalem Post reported that Middle East analyst Kenneth Pollack, who was a staffer on President Clinton's National Security Council, is one of two USG officials referenced in the indictment against two former AIPAC staffers. JTA quoted Pollack as saying he did not give the lobbyists any classified information, and that the information that Steve Rosen, AIPAC's former director of foreign policy issues, was accused of passing on to

a reporter could not have come from him.

Jerusalem Post reported that Lt. Gen. Jeffrey Kohler, head of the Defense Cooperation Security Agency in the Pentagon, will brief Indian officials next months and will try to convince India to purchase the U.S.-made Patriot PAC-3 missile system, considered the principal competitor to the Israeli Arrow system.

The media reported that the annual State Comptroller's Report publishes findings that the defense budget has received some four to five billion shekels (around USD 1 billion) each year beyond what the Knesset approved. The report also criticizes illegal building by the Civil Administration in the West Bank.

Ha'aretz reported that Bank Hapoalim, Israel's largest bank, announced on Wednesday it has signed an agreement to buy the broker-dealer corporation company Investec (US), which is registered and operates in the U.S.

1. Mideast:

Summary:

Hebrew University Professor of Political Science and former Foreign Ministry director-general Shlomo Avineri wrote in mass-circulation, pluralist Yediot Aharonot: "International figures, as well as circles in Israel, are talking about an attempt to return to the road map. There can be no greater mistake."

Block Quotes:

"No to the Road Map"

Hebrew University Professor of Political Science and former Foreign Ministry director-general Shlomo Avineri wrote in mass-circulation, pluralist Yediot Aharonot (September 1): "International figures, as well as circles in Israel, are talking about an attempt to return to the road map. There can be no greater mistake. The road map was never more than a list of aspirations, and the fact is that everything that took place on the ground -- an Israeli withdrawal of historical significance, relative calm on the part of the Palestinian terror organizations -- did not result from the road map, but rather from political wishes on both sides. This is also what will happen in the future... What can be done all the same? Only a number of unilateral steps on both sides. On Israel's number of unilateral steps on both sides. On Israel's side: to think seriously about the possibility of disengaging from close to 20 isolated settlements throughout the West Bank. Such a move ... would give the Palestinians uninterrupted territorial contiguity. On the Palestinians' side: to consolidate the control of the Palestinian Authority over its security services and the armed militias, including Hamas. Abu Mazen understands full well that no Israeli government will understands full well that no israell government will negotiate with him if he cannot control his own house.... Furthermore, to begin an internal Palestinian process, in which the leadership tells the refugees in the camps -- contrary to the propaganda with which they have been fed for the past 50 years -- that they will not return to Israel.... Anyone who says that this is difficult for the Palestinians will of course be right: the evacuation of Gush Katif was also difficult. Painful decisions are necessary -- but on both sides, not only on Israel's part. Such moves will reduce friction, contribute to a reduction of violence and perhaps prepare the atmosphere for significant negotiations in the future. Those who would rush into negotiations now are fated to fail, and such a failure -- as was demonstrated in Camp David -- is not a return to the starting point, but rather a deterioration into the abyss.

12. Syrian-Lebanese Track:

Summary:

Veteran columnist Yaron London wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot: "What will Syria do under pressure? It might go mad or surrender. Attempts to foresee the behavior of tyrants are often disappointing, but we must prepare ourselves for the worst possibility."

Block Quotes:

"Recipe For an Outburst"

Veteran columnist Yaron London wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot (September 1): "Sunni Muslims represent around 75 percent of [Syria's] population, but power is in the hands of the Alawites, who constitute no more than 10 percent [of the population]. This is the recipe for a volcanic eruption, should Bashar Assad's regime collapse... Sunni fundamentalists might take over Syria. In 1982, Hafez Assad massacred tens of thousands of them in the city of Hama, but they will undoubtedly raise their heads as soon as the Ba'ath regime gets unhinged... Should a clear connection be found between the presidential palace in Damascus and Rafic Hariri's assassins, the [UN] Security Council would most certainly impose sanctions on Syria, but it should be assumed that even a clumsy person like Assad Jr. wouldn't leave clear footprints. What will Syria do under pressure? It might go mad or surrender. Attempts to foresee the behavior of tyrants are often disappointing, but we must prepare ourselves for the worst possibility."

<u>¶</u>3. Iraq:

Summary:

Foreign News Editor Arik Bachar wrote in popular, pluralist Maariv: "Quite sincerely, one can understand the Iraqis who have recently demonstrated in favor of Saddam Hussein's return... [Abu Musab al-]Zarqawi has never been closer to fulfilling his dream -- and our nightmare."

Block Quotes:

"Longing For Saddam"

Foreign News Editor Arik Bachar wrote in popular, pluralist Maariv (September 1): "Wednesday's panicstricken flight along the banks of the Tigris River added a large piece to the Iraqi puzzle, which, if completed, might turn out to be the nightmarish sight of civil war, which would cost human lives in all inhabited regions of the globe... Quite sincerely, one can understand the Iraqis who have recently demonstrated in favor of Saddam Hussein's return. At least he promised stability to all those whom he didn't kill in his cellars. The lack of confidence felt by many Iraqis since the beginning of the war is gaining speed, and a disaster such as Wednesday's could produce a lot of added frustration, given the big American failure, as of now, to fulfill pledges of a new Iraq. The great current danger is that the members of the Shi'ite majority in Iraq, a horrendous number of whom drowned Wednesday in the river, would stop playing the political game, after the Sunni minority — the stronghold of Saddam's regime — rejected the offer of an agreed-upon constitution. [Abu Musab al-]Zarqawi has never been closer to fulfilling his dream — and our nightmare."

¶4. U.S.-Israel Relations:

Summary:

Nationalist, Orthodox Hatzofe editorialized: "Sharon was already involved in such deals when he served as defense minister."

Block Quotes:

"The Wrong Person to Resign"

Nationalist, Orthodox Hatzofe editorialized (September 1): "As director-general of the Defense Ministry, Amos Yaron could not have advanced the [Harpy drone] deal with China without the active involvement of the Defense Minister and the Prime Minister.... Sharon was already involved in such deals when he served as defense minister. He took part in the Skyhawk deal with Argentina via a third country -- Venezuela -- in order to deceive the Americans. The Americans presently don't talk about that deal because the most important thing to them at this time is the expulsion

of Jews from their homes. Since Sharon is doing this job at a satisfactory pace as far as they are concerned, they don't mention past sins in the same spirit as the deal with China."

KURTZER